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Message Text

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43
ORIGIN NEA-12

INFO OCT-01 ISO-00 L-03 ABF-01 TRSE-00 AID-20 IGA-02 EB-11

COME-00 PA-04 PRS-01 USIA-15 CIAE-00 INR-10 NSAE-00

RSC-01 FBO-01 XMB-07 /089 R

DRAFTED BY NEA/INS:DWBORN:HME
APPROVED BY NEA/INS:LBLAINGEN
L/NEA:ATBROWN
M/FRM/FM:RWHITENER
TREAS:DCHIODO
---------- 056127
P R 221535Z MAR 74
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI PRIORITY
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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E.O. 11652: N/A
TAGS: EFIN, IN
SUBJECT: (A) NEW DELHI 3598; (B) STATE 34964; (C) NEW DELHI 2519

1. WE HAD ASSUMED ALL PL-480, 104(J) SALES WOULD CONTINUE THROUGH JUNE 30, 1974, FROM RS. 186 MILLION TRANSITION FUND WITHOUT DEDUCTION FROM DOLS 6.4 MILLION CONVERSION (REFS B AND C). PROBLEM REMAINS ONE OF UNDERSTANDINGS GIVEN CONGRESS DURING CONSULTATIONS IN JANUARY AND FEBRUARY, 1974, PRIOR TO SIGNATURE OF AGREEMENT.

2. OUR GOAL IS TO CONTINUE TO MAKE 104(J) CONVERSIONS FOR TOURISTS FOR THE LIFE OF THE AGREEMENT WITHOUT DEDUCTION FROM THE ANNUAL CONVERSIONS OF DOLS 6.4 MILLION
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3. TO IMPROVE YOUR NEGOTIATING HAND, WE CONCUR IN THE TERMINATION EFFECTIVE MARCH 15 OF SALES TO FOUNDATIONS. (THERE HAVE BEEN NO SIGNIFICANT SUCH SALES RECENTLY IN WASHINGTON).

4. HOWEVER, WE BELIEVE THAT WASHINGTON SALES TO US FIRMS SHOULD CONTINUE THROUGH JUNE 30, 1974, FROM THE TRANSITION ACCOUNT, WITHOUT DEDUCTION FROM THE DOLS 6.4 MILLION CONVERSION. (EMBASSY MAY STOP SALES TO US FIRMS IN DELHI

IF THIS APPEARS WARRANTED). OUR REASONS FOR CONTINUING WASHINGTON SALES THROUGH JUNE 30 ARE, FIRST, THAT THIS PROGRAM, INITIATED IN 1965, IS NOT ONE WHICH CAN BE ABRUPTLY TERMINATED WITHOUT POTENTIAL HARDSHIP OR ANNOYANCE TO US USERS; THUS ADVANCE NOTICE OF TERMINATION IS AT THE LEAST A COURTESY, IF NOT A NECESSITY, AND SECOND, THE AMOUNT POTENTIALLY INVOLVED THROUGH JUNE 30 -- ABOUT DOLS 7,500 USING ESTIMATE IN PARA 3 OF REF C, -- IS DE MINIMIS.

5. ACCORDINGLY, PLEASE MAKE FOLLOWING POINTS TO INDIAN GOVERNMENT: WE HAVE TERMINATED SALES TO NON-RELIGIOUS FOUNDATIONS EFFECTIVE MARCH 15; ARE TERMINATING THE SALES TO US FIRMS EFFECTIVE JUNE 30, 1974, (THAT IS, FOLLOWING APPROPRIATE TRANSITION PERIOD TO PERMIT US FIRMS CONCERNED RECEIVE NOTICE AND MAKE ALTERNATE ARRANGEMENTS); AND WILL BE REQUESTING FORMAL GOI CONCURRENCE TO CONTINUE 104(J) SALES TO US TOURISTS VISITING INDIA AT MODEST PAST LEVELS WITHOUT DEDUCTION FROM CONVERSIONS.

6. CLOUD ON HORIZON DEPARTMENT: US NEWS AND WORLD REPORT CORRESPONDENT SPECIFICALLY QUERIED INS OFFICER MARCH 20 CONCERNING EFFECT OF RUPEE AGREEMENT ON QTE TEN AND HALF MILLION DOLLARS OF PENDING TOURIST SALES ENDQTE REPORTED AS OF DECEMBER 31 IN TREASURY REPORT ON LOCAL CURRENCIES. KISSINGER

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Message Attributes

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Draft Date: 22 MAR 1974
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: DWBORN:HME
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Review Exemptions: n/a
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